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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)

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Implementation of Section 309(j)
of the Communications Act -
Competitive Bidding
Narrowband PCS)

PP Docket No. 93-253/

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and

Amendment of the Commission's
Rules to Establish New Narrowband
Personal Communications Services)

GEN Docket No. 90-314
ET Docket No. 92-100

COMMENTS

San Juan Pacific Management, Inc. ("SJPM"), by its attorneys, hereby files comments with respect to the Third Memorandum and Order and Further Notice of Proposed Rulemaking released by the Commission on August 17, 1994 in the above referenced dockets. The Further Notice of Proposed Rulemaking ("FNPRM") contains a proposal for redesignating the two Basic Trading Area ("BTA") Narrowband Personal Communications Services ("NPCS" or "Narrowband") licenses as regional or nationwide licenses. FNPRM, ¶122, pp.54-55. Because this proposal would reduce licensing opportunities for businesses on the island of Puerto Rico, SJPM urges the Commission to continue licensing Narrowband on a BTA basis. SJPM does agree, however, that Narrowband BTA licenses should be set aside as "entrepreneurs' blocks".

Puerto Rico does not fit easily into a mainland based telecommunications network. As an island, it is physically separated and, as a result, isolated from the mainland. As a

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predominantly Spanish speaking commonwealth, it is also culturally separated from the mainland. The physical and cultural separation Puerto Rico experiences has meant that over the years, investment capital from mainland America has been minimal. The physical and cultural separation make the cost of providing service in Puerto Rico for a mainland based business prohibitive. Consequently, Puerto Rico's greatest hope for development is to encourage companies with a commitment to Puerto Rico. One way to foster this commitment is to encourage businesses based on the island.

Under the Commission's current rules, there are fourteen national or regional Narrowband paired frequency licenses. The construction requirements for both nationwide and regional licenses require coverage of 75% of the license area's population within ten years of the license grant. 47 C.F.R. § 24.103(a), (b).

The 1990 population of Puerto Rico was approximately 3,721,000 people. With approximately 250,000,000 people in the United States, a nationwide licensee could easily satisfy its construction requirements without even entering Puerto Rico.

The Southern region, to which Puerto Rico belongs, has an approximate population of 51,000,000 people. Puerto Rico's population constitutes approximately 7.3% of the Southern region. Once again, the regional licensees could satisfy their construction requirements without any build-out in

Puerto Rico.

By redesignating the BTA licenses as regional or nationwide licenses, the Commission would be increasing the number of Narrowband licensees who have no requirement to build in Puerto Rico. More importantly, the Commission would be reducing the number of paired frequency licensing opportunities on the island of Puerto Rico from nine to five.¹ Instead of encouraging Puerto Rico based business in developing a modern telecommunications infrastructure, the Commission's proposal would have the effect of reducing the opportunity for those businesses committed to Puerto Rico.

SJPM supports the Commission's proposal to set aside BTA licenses as "entrepreneurs' blocks". This will ensure that entrenched telecommunications providers currently in Puerto Rico will not have the ability to lock out potential competitors.

For these reasons, the Commission should retain the BTA

¹ The nine current licensing opportunities on Puerto Rico include five MTA licenses and four BTA licenses, two licenses in each of the two BTAs comprising Puerto Rico.

area designation and set aside both BTA licenses for bidding by entrepreneurs as that term is defined in the Commission's rules.

Respectfully submitted,

SAN JUAN PACIFIC MANAGEMENT, INC.

By:

A handwritten signature in dark ink, appearing to be "Richard S. Myers", written over a horizontal line.

Richard S. Myers
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